



[BILLING CODE: 4810-33-P]

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

**Agency Information Collection Activities; Company-Run Annual Stress Test
Reporting Template and Documentation for Covered Institutions with Total
Consolidated Assets of \$10 Billion to \$50 Billion under the Dodd-Frank Wall Street
Reform and Consumer Protection Act**

AGENCY: Office of the Comptroller of the Currency, Treasury (OCC).

ACTION: Notice.

SUMMARY: The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on this continuing information collection, as required by the Paperwork Reduction Act of 1995. Under the Paperwork Reduction Act, Federal agencies are required to publish notice in the Federal Register concerning each proposed collection of information. An agency may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number.

The OCC is soliciting comment on proposed revisions to the regulatory reporting templates and documentation for covered institutions with total consolidated assets of \$10 billion to \$50 billion.

DATES: Comments must be received by [INSERT 30 DAYS FROM DATE OF PUBLICATION IN FEDERAL REGISTER.]

ADDRESSES: Because paper mail in the Washington, DC area and at the OCC is subject to delay, commenters are encouraged to submit comments by e-mail if possible.

Comments may be sent to: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: 1557-0311, 400 7th Street, SW., Suite 3E-218, Mail Stop 9W-11, Washington, DC 20219. In addition, comments may be sent by fax to (571) 465-4326 or by electronic mail to regs.comments@occ.treas.gov. You may personally inspect and photocopy comments at the OCC, 400 7th Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: You can request additional information from or a copy of the collection from Johnny Vilela or Mary H. Gottlieb, Clearance Officers, (202) 649-5490, for persons who are deaf or hard of hearing, TTY, (202) 649-5597, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7th Street, SW., Suite 3E-218, Mail Stop 9W-11, Washington, DC 20219. In addition, copies of the templates referenced in this notice can

be found on the OCC's Web site under Tools and Forms (<http://www.occ.gov/tools-forms/forms/bank-operations/stress-test-reporting.html>).

SUPPLEMENTARY INFORMATION:

The OCC is requesting comment on a revision to the following information collection:

Title: Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$10 Billion to \$50 Billion under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

OMB Control No.: 1557-0311.

Description: Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act¹ (Dodd-Frank Act) requires certain financial companies, including national banks and Federal savings associations, to conduct annual stress tests² and requires the primary financial regulatory agency³ of those financial companies to issue regulations implementing the stress test requirements.⁴ A national bank or Federal savings association is a “covered institution,” and therefore subject to the stress test requirements if its total consolidated assets exceed \$10 billion. Under section 165(i)(2), a covered institution is required to submit to the Board of Governors of the Federal Reserve System (Board) and to its primary financial regulatory agency a report at such time, in such form, and containing such information as the primary financial regulatory agency may require.⁵ On October 9, 2012, the OCC published in the Federal Register a final rule

¹ Public Law 111-203, 124 Stat. 1376, July 2010.

² 12 U.S.C. 5365(i)(2)(A).

³ 12 U.S.C. 5301(12).

⁴ 12 U.S.C. 5365(i)(2)(C).

⁵ 12 U.S.C. 5365(i)(2)(B).

implementing the section 165(i)(2) annual stress test requirements.⁶ On October 22, 2013 the OCC published in the Federal Register a notice describing the reports and information required under section 165(i)(2) for covered institutions with average total consolidated assets between \$10 to \$50 billion.⁷

On October 11, 2013, the OCC published in the Federal Register revised risk-based and leverage capital requirements that implement the Basel III regulatory capital reforms and certain changes required by the Dodd-Frank Act (revised regulatory capital rule).⁸ The revised regulatory capital rule introduces the new common equity tier 1 capital component and a new common equity tier 1 capital ratio, changes the definition of regulatory capital items, and changes the calculation of risk-weighted assets. All banking organizations must comply with the revised regulatory capital rule beginning on January 1, 2015.

On July 17, 2014 the OCC published in the Federal Register notice of its intention to revise the reporting templates for covered institutions with \$10 to \$50 billion in assets to reflect the changes to the revised regulatory capital rule.⁹ The OCC received one comment in response to this notice.

In the notice the OCC proposed to add a common equity tier 1 capital data item to the Balance Sheet and a common equity tier 1 risk-based capital ratio data item to the Summary Schedule and Balance Sheet Schedules (baseline, adverse, and severely adverse scenarios) in order to reflect the requirements of the revised regulatory capital rule.

These revisions would be effective for the 2015 stress test cycle (using September 2014

⁶ 77 FR 61238 (October 9, 2012).

⁷ 78 FR 62942.

⁸ 78 FR 62018.

⁹ 79 FR 41742.

data with submission of results in March 2015).¹⁰ In addition, the OCC proposed to clarify the accompanying instructions to emphasize that institutions should transition to the revised regulatory capital rule requirements in their company-run stress test projections in the quarter in which the requirements become effective. Specifically, institutions would be required to transition to the revised regulatory capital rule and begin including the common equity tier 1 capital data item and common equity tier 1 risk-based capital ratio data item in projected quarters two (1st quarter 2015) through nine (4th quarter 2016) for each scenario for the 2015 stress test cycle.

The OCC also proposed several clarifications to the reporting instructions including: indicating that the Scenario Variables Schedule would be collected as a reporting form in Reporting Central (instead of as a file submitted in Adobe Acrobat PDF format) and clarifying how the supporting qualitative information should be organized.

The OCC has worked closely with the Board and the Federal Deposit Insurance Corporation to make the agencies' respective rules implementing the annual stress testing requirements under the Dodd-Frank Act consistent and comparable by requiring similar standards for scope of application, scenarios, data collection and reporting forms. The OCC also has worked to minimize any potential duplication of effort related to the annual stress test requirements.

The OCC received one comment letter from a modeling service provider on the proposed revisions to the reporting templates and instructions. The commenter questioned the introduction of the new regulatory capital, risk-weighted asset, and regulatory capital ratio items in the reporting templates, asserting that covered institutions

¹⁰ The OCC, the Board, and the Federal Deposit Insurance Corporation have proposed revisions to the schedule of the annual stress test. 79 FR 37231 (July 1, 2014). If the agencies adopt these revisions, the OCC expects to adjust its reporting instructions accordingly.

with \$10-\$50 billion in assets will lack relevant data for the new capital items in advance of when these items are required to be reported in the Consolidated Report of Condition and Income (Call Report). However, the additional items in the reporting templates should not place undue burden on these institutions as they have already been given additional time to incorporate the revised capital framework into their company-run stress tests. These institutions were not required to report these items in the 2013-2014 stress tests. In addition, the reporting templates and instructions have been updated to reference the applicable Call Report items that should be reported over the planning horizon, including new items that were created to capture the revised capital framework. Accordingly, the OCC is adopting the new items as proposed.

The commenter also expressed concerns about the requirement that covered institutions publicly disclose a summary of the results of the stress tests. However, this requirement is contained in both the Dodd-Frank Act and the OCC's stress test regulation.¹¹ Moreover, the OCC believes that public disclosure of the summary of the results of the stress test using the new capital rules will be informative to the public and reflects an important mechanism of both the statutory and regulatory company-run stress test framework.

In response to a few technical comments, some minor changes will be made to the final reporting forms and instructions. These changes include clarified reporting instructions for the disallowed deferred tax asset and unrealized gains (losses) on AFS securities line items and updated descriptions of the total capital and total risk-based capital line items.

Type of Review: Revision to an existing collection.

¹¹ 12 U.S.C. 5365(i)(2)(C)(iv); 12 CFR 46.8.

Affected Public: Businesses or other for-profit.

Burden Estimates:

Estimated Number of Respondents: 29.

Estimated Total Annual Burden: 13,601 hours.

The burden for each \$10 to \$50 billion covered institution that completes the revised results template is estimated to be 445 hours for a total of 12,905 hours. The revisions are estimated to add 5 hours of additional burden per respondent, increasing the burden from 440 hours to 445 hours. This burden includes 20 hours to input these data and 425 hours for work related to modeling efforts. The estimated revised burden for each \$10 to \$50 billion covered institution that completes the annual DFAST Scenarios Variables Template is estimated to be 24 hours for a total of 696 hours.

Comments continue to be invited on:

(a) Whether the collection of information is necessary for the proper performance of the functions of the OCC, including whether the information has practical utility;

(b) The accuracy of the OCC's estimate of the burden of the collection of information;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology; and,

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Dated: November 18, 2014.

Stuart Feldstein,
Director, Legislative and Regulatory Activities Division.

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